BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA 08-30-07 04:59 PM

Application of Southern California Edison Company (U-338-E) for Approval of Economic Development Rates.

Application of Pacific Gas and Electric Company to Modify the Experimental Economic Development Rate (Schedule ED) (U 39 E).

Application of Southern California Gas Company (U 904 G) for Approval of a Long-Term Gas Transportation Agreement with Guardian Industries Corp. A.04-04-008 (Filed April 5, 2004) (Rehearing Granted May 25, 2006)

A.04-06-018 (Filed June 14, 2004) (Rehearing Granted May 25, 2006)

> A.05-10-010 (Filed October 7, 2005) (Discount Issues)

NOTICE OF EX PARTE COMMUNICATION

Pursuant to Rule 8.3 of the Rules of Practice and Procedure of the California Public Utilities Commission, the Division of Ratepayer Advocates ("DRA") hereby gives notice of the following ex parte communication in the above-referenced proceeding.

On Tuesday, August 28, 2007, at 11:00 a.m., Dana Appling, Director of DRA, Andrew Ulmer, Chief Counsel of DRA, and Harvey Y. Morris, Assistant General Counsel, met with Jack Stoddard, Legal Advisor to President Peevey, to discuss the Proposed Decision ("PD") and the Alternate Proposed Decision of President Peevey ("AltPD") concerning Economic Development Rates ("EDR"). The meeting was held in Room 5218 at 505 Van Ness Avenue, San Francisco, California 94102. Ms. Appling, Mr. Ulmer and Mr. Morris stated that DRA

supports the legal findings in both the PD and AltPD, but discussed their concern that the AltPD would require ratepayers to shoulder 100% of the contribution to negative margin for EDR contracts negotiated after Decision 05-09-018, but prior to the Commission granting rehearing ("grandfathered contracts.") DRA requested that the Commission clarify that EDR contracts in the future must include in the floor price the nonbypassable surcharges and the marginal costs, such that except for these grandfathered contracts, ratepayers would not be paying for negative margin in the future. With such a clarification, DRA expressed its support for the PD or President Peevey's Alternate Proposed Decision. There were no written materials used during the meeting.

Copies of this notice can be obtained by calling or sending e-mail to Sue Muniz at (415) 703-1858 (e-mail= sam@cpuc.ca.gov).

Respectfully submitted,

/s/ Harvey Y. Morris

Harvey Y. Morris Attorney for the Division of Ratepayer Advocates

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August 30, 2007

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of "NOTICE OF EX PARTE COMMUNICATION" in A.04-04-008, A.04-06-018, A.05-10-010 by using the following service:

[X] **E-Mail Service:** sending the entire document as an attachment to an e-mail message to all known parties of record to this proceeding who provided electronic mail addresses.

[] **U.S. Mail Service:** mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses.

Executed on August 30, 2007 at San Francisco, California.

/s/ Imelda C. Eusebio
Imelda C. Eusebio

NOTICE

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address and/or e-mail address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

SERVICE LIST FOR A.04-04-008, A.04-06-018 & A.05-10-010

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